## OFFICIAL DISPATCH

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CLASSIFICATION	iv <b>UV 26 195</b> 2
TO : Chief of Base, Salaburg DATE;	
Operational/GROOVI	" - Husting
Reference: LASA 205, 225	
1. The CC-2 - HOETTL relationship is one of not been completely reasonred by the contents of the	
dutien for GROSSBAHN at the present time. In the provided as chief assistant, reports editor, case off said to handle "internal Austrian and OB reporting this cituation is still true, then he would seem to everything going on within GROSSBAHN's office. Alti appears that CO-2 has access to GROSSBAHN's files; i sation on Theodor ALEGET as given by GO-2 in attachm taken directly from a report by WFL (R/23017). We clarification as to the extent to which CO-2 has been GROSSBAHN's intelligence activities.  3. We realise, of pores, the urgent need with services at the present time, and the danger that, i fall like a ripe plus into the lap of Bonn. On the used increasingly to provide support of one sort of Austria, and a penetration by HOETTL could naturally for other DYCLAIM projects such as REDCAP.	ast he has been veriously desider sto. In SLZ Suit he is bitels, and follow uper. If the completely an sourant of hough not expressly stated, it for example the background informent B to EASA 205 seems to be would, therefore, much appreciate an sealed off from knowledge of the OROSSBARN has fee CC-2's if dropped, the latter might other hand, CROSSBARN is being another to our operations in
he In an effort to look into the CO-2 - HOETI we have reviewed the HUETIL file here, a task which The following is quoted from HUQ-W-301 of 12 Sentent Selsburg):	hes risided some possible leads.
NAZI WAR CRIMES DISCLOSURE ACT  ABSTRACT  IND  COORD IN TON EST ACT  COORD IN TON EST	Date of Origin 15 Xovember 1952 7-225 X REF FORM FILED 953 9C INT:
	d and Approved for Release ral Intelligence Agency

"On the occasion of CUTTL's last visit to CAPOTE at Frankfurt sometime in April 1952, CAPOTE told so he was convinced that HUETTL produced plenty of phonor reports and that he was outting him off financially. CAPOTE said that the only intelligence of value that HUETTL produced concerned the Austrian covernment, but all other, namely OB, Mungarian, and Romanian political reports, reports on North Africa, Italy and Trieste were phonor. When I maked CAPOTE say, if he know MUETTL manufactured so much paper, he subsidized him and maintained his close contact, CAPOTE replied that he was trying to determine size PETT.'s excellent source on internal Austrian differe was before completely severing the commention.

The following is entracted from NUFA 6452 dated 9 April 1952 (forwarded to Salaburg as an attachment to MAS-W-407):

"No (CAPOTE) steedfastly maintains...that HETTL has ability and does got bons-fide internal political information which, over a period of menths, has proven to be true... MUITL received 600 Diss conthly for his political information."

- 5. The shore quotes are interesting when considered in connection with paragraph 1 of MASA 205 in which MAST is said to claim that CC-2 receives AS 2000 monthly for a report to MOETEL, whereas he, MAST, receives only AS 4000 for his entire office. MAST's allegation does not prove that CC-2 is MOETEL's "excellent source on internal Austrian affairs", but it seems not improbable. It is noteworthy that in the first half of 1950 when CMOSSBAME reports were primarily concerned with the internal Austrian scene, the largest number originated with CC-2 and MM-1.
- 6. One possibility which is extremely remote but which cannot be entirely overlooked is that OROSSEAN binself may be closer to MMETTL than is apparent. According to SALZ 236, RMETTL approached ORUESCHE 201 in December 1951; and somtioned among other things that he was collaborating with Otto lmu (suspected here to be USACE). There is in addition the CIC report cited in EAS-N-1 alleging OROSSEANY collaboration with HMETTL. There is naturally no reason to doubt OROSSEANY good faith on the basis of these two vague and unsubstantiated reports and it is of course possible that they refer to the CO-2 MMETTL relationship.
- R. To sum up, the situation seems to resume itself an follows: CC-2, through his relationship with H-ETTL, constitutes a security threat to the CHCSSBAHN project. As a result of five years of close collaboration with CHCSSBAHN, CC-2 has a fairly extensive knowledge of CHCSSBAHN contacts and operations. In addition he seems to be: at least some necess to CHCSBAHN & Ciles. In the other side of the picture,

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DEST AVAILABLE (1997)

he is immonsely valuable to CROSSBAM because of his editing abilities, his inteligence experience and his high-level contacts. Also, CROSSBAM has no one also at present who could take over CC-2's work. There is in addition the question of what would happen to CC-2 if dropped: there is the likelihood that he would then work full time with Sonn or MARTIL.

9. The ideal solution would naturally be to replace CC-2 and to transfer him to a peripheral spot in CRESSBARN's couplex, where he would revely if ever come inside CROSSBARN's office. Actually, there seems to be no such easy and immediate way out, and any solution must be a compromise. If, after weighing the factors on each side, it is decided to keep him on for the time being, it should be with the full realization that we are dealing with a calculated risk, and that any information to which CC-2 is exposed may end up via NORTH, with other intelligence services.

10. To shall look forward to hearing more on the situation. In closing we quote a statement by Filli in Die Coheine Front to which we say a hearty enems "Per Ocheindianst stellt ungenein schmierige organisatorische Probleme".

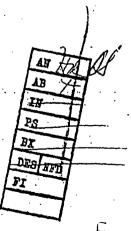
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